

## Annual General Meeting of Munich Re held on 30 April 2014

### Responses to questions from Mr. Jens Heidenreich

At the Annual General Meeting of Munich Reinsurance Company held on 30 April 2014, Mr. Jens Heidenreich posed a series of questions, including questions connected with the judgment of the Court of Justice of the European Union (CJEU) dated 19 December 2013. In this judgment, the Court declared that the maximum one-year objection period contained in Section 5a (2)(4) of the German Insurance Contract Act (VVG) in the version applicable from 1994–2007 contravened European law. With some of his questions, Mr. Heidenreich wanted to know how the ERGO Insurance Group, which belongs to the Munich Re Group, was reacting to the judgment of the European Court, and if it had set aside any provisions in response to the judgment.

The Board of Management replied to these questions at the Annual General Meeting by saying that the corresponding ERGO companies had not set aside any provisions for the financial year 2013 in response to the Court judgment, as the requirements set out in *IAS 37: Provisions, contingent liabilities and contingent assets* were not met. There were also no direct legal consequences from the Court judgment for insurance contracts concluded under the policy model. It was not yet possible to make any serious assessment of the effects of the judgment on the affected ERGO insurers. It would probably only be possible to make a more reliable assessment once the German Federal Court of Justice (BGH) has handed down a ruling on the basis of the judgment of the European Court.

Towards the end of the Annual General Meeting, the shareholder representative once again asked a series of questions, to which the Board of Management replied:

"Unfortunately, it is not possible to answer the questions you have put to us in the time reasonably available to us here today. The response is very time-consuming, because ERGO needs to access multiple IT systems and conduct various analyses. Therefore, on the basis of the conditions and limitations on our duty to provide information at the Annual General Meeting, we will answer your questions subsequently in writing. For the sake of good order, we wish to point out that we retain the right to exercise our legal rights pursuant to Section 131 (3) of the German Stock Corporation Act (AktG). We will make the answers available to other shareholders via publication on the internet."

The questions asked by the shareholder representative at the Annual General Meeting and the answers provided, subject to the statement by the Board of Management, are set out below:

#### **Question 1:**

You have said that the number of contracts concluded under the policy model that may be affected by the ruling may be as high as 4.8 million. Do these 4.8 million contracts comprise contracts still on the Group's books as at 31 December 2013, or is this the total number of contracts that have been concluded on the basis of the policy model?

Answer:

The number of contracts concluded under the policy model, as specified at the Annual General Meeting on the basis of the information available, have now been checked using additional resources that were not available during the Annual General Meeting. A total of 7.2 million contracts have been concluded by ERGO companies on the basis of this policy model. Our response to the number of contracts that are still on the books is contained in the answer to question 3.

**Question 2**

How many of the contracts concluded under the policy model were paid out, cancelled, expired etc. in 2013?

What was the total amount of premiums paid under these contracts?

With respect to the aforementioned contracts, what was the total amount of surrender values and maturity benefits?

Answer:

A total of 234,281 contracts concluded under the policy model were cancelled or expired in 2013.

ERGO has extrapolated the amount of premiums paid with respect to these contracts, and this amounted to around €1,109m.

The amount of surrender values and maturity benefits paid out with respect to these contracts totalled €1,516m.

**Question 3**

How many contracts concluded under the policy model were still on the books of the Group or other Group companies as at 31 December 2013? How have these customer claims been recognised in the accounts as at 31 December 2013, and what is the total premium income for these contracts over their full terms?

Answer:

As at 31 December 2013, around 3.5m contracts concluded under this policy model were still on the books of ERGO companies, and these are recognised in the accounts as a total of €24,191m. ERGO has extrapolated the premium income, which amounted to around €22,003m.

**Question 4**

Parallel to the questions just posed, how many contracts concluded under the policy model were paid out or settled in 1995? How much were the corresponding surrender values, maturity benefits and premiums paid for these contracts?

Answer:

Determination of the information provided would take an unreasonable amount of time, since parts of the information concerning the contracts have already been archived by ERGO. Retrieval of information from the archive is not set up in such a way as to allow for a question concerning the aggregate portfolio. Providing an answer to this question would cost hundreds of person-days.

**Question 5**

Parallel to the questions just posed, how many contracts concluded under the policy model were paid out or settled from 1996–2012?

How much were the corresponding surrender values, maturity benefits and premiums paid for these contracts?

Answer:

Determination of the information provided would take an unreasonable amount of time, since parts of the information concerning the contracts have already been archived by ERGO. Retrieval of information from the archive is not set up in such a way as to allow for a question concerning the aggregate portfolio. Providing an answer to this question would cost hundreds of person-days.

Munich, 26 May 2014